

# INTERNATIONAL AIR CARRIER ASSOCIATION

**IACA**

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Reply to:

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**Mr C Schellenberg**  
Chief Financial Officer  
Federal Aviation Administration  
800 Independence Avenue, SW.  
Washington DC 20591  
USA

1 December 1998

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OFFICE OF THE  
CHIEF COUNSEL  
FILES DOCKET

Dear **Mr Schellenberg**

I refer to a meeting held at your offices on 12 November by an **IACA** delegation with an FAA team led by **Mr Tim Lowler**.

Your team kindly gave us an update on the status regarding the **re-introduction** of US overflight fees and gave us an opportunity to raise some of our concerns on the subject. I thought it **might** be helpful if I now **summarised** our main concerns in **writing** to you.

**IACA** is an association representing the interests of some 35 european-based charter airlines. This sector of the market **works** to extremely tight profit margins and as we have now commenced selling our winter 1999/2000 programme you will understand our apprehension regarding the possible date of introduction of this fee, particularly as it would not be recoverable by our members through surcharges.

I would therefore like you to consider whether it would be possible for an alleviation to be granted to our members **whereby** the fee is not introduced until 1 April 2000. If the **relevant** statute disallows a general delay of this nature, perhaps you could instead consider an exemption for all our flights contracted prior to official notification of the rate of charge and date of implementation of the fee.

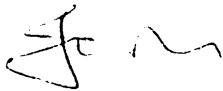
The other main concern emanating from our discussions relates to the cost allocation aspect and I would request that the following points be taken into account before **finalising** your **approach**:

1) We would expect that the charges allocated to the oceanic and overland sectors are properly cost-related and that the costs attributed to each sector only reflect the services **provided** - this point is particularly relevant as I believe that of a total of **21 ATC control centres** only 4 serve the oceanic area.

2) We would also expect that the total cost attributable to each **area** of airspace will in effect be divided by the total volume of all traffic using that airspace in order to arrive at a unit cost per flight which will then be charged to the **overflying** traffic.

I would be grateful if you could consider the above points and I look forward to your response. If you require any further clarification please do not hesitate to contact me.

Yours sincerely



**J E Denman**  
Director Operational Charges